

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NO. UWI-W-04-2
APPLICATION OF UNITED WATER IDAHO)	
INC. AND BARBARA V. CHILD DBA TERRA)	NOTICE OF APPLICATION
GRANDE FOR AN ORDER APPROVING)	
THE PURCHASE BY UNITED WATER)	NOTICE OF PUBLIC
IDAHO INC. OF WATER SERVICE)	WORKSHOP
PROPERTIES OWNED BY BARBARBA V.)	
CHILD; FOR AUTHORITY TO EXPAND)	NOTICE OF MODIFIED
UNITED WATER IDAHO INC.'S)	PROCEDURE
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY NO. 143 AND FOR)	NOTICE OF
APPROVAL OF RATES AND CHARGES)	COMMENT/PROTEST
)	DEADLINE

YOU ARE HEREBY NOTIFIED that on February 19, 2004, United Water Idaho Inc. (United Water; Company) and Barbara V. Child dba Terra Grande filed a joint Application with the Idaho Public Utilities Commission (Commission) for an Order approving the purchase by United Water of water service properties owned by Barbara V. Child. United Water requests authority to expand its Certificate of Public Convenience and Necessity No. 143 to include the Terra Grande water system and requests approval of related rates and charges for Terra Grande customers. Reference *Idaho Code* § 61-526; IDAPA 31.01.01.112.

The Terra Grande water system has been operating for over 50 years and provides water service under a flat rate to approximately 117 residential customers in the Terra Grande Subdivision in Ada County, Idaho. Terra Grande is generally located South of Overland Road, East of Milwaukee Street and North of Targee Street as more particularly depicted in the map attached to the Application as Exhibit 1.

The total purchase price set forth in the Agreement for Purchase and Sale (Application Exhibit 2) is \$47,000. United Water states that upon approval of the purchase, the Company will invest up to \$122,000 in capital improvements for system upgrades and metering of customers. The proposed system upgrades which include capping Terra Grande's four wells and switching customers to United Water supply are described in Application Exhibit 4. United Water requests an Order confirming the right of the Company to include in rate base in future

NOTICE OF APPLICATION
NOTICE OF PUBLIC WORKSHOP
NOTICE OF MODIFIED PROCEDURE
NOTICE OF COMMENT/PROTEST DEADLINE

rate proceedings the full Terra Grande purchase price and up to \$122,000 in capital investment along with reasonable costs of acquisition which are estimated to be approximately \$5,000.

United Water requests a Commission Order confirming the right of the Company to provide service to the Terra Grande customers according to United Water's current approved rules and regulations, including its tariff rates for service. Revenue from Terra Grande customers, at present United Water rates, the Company estimates will be equal to or greater than the revenue requirement associated with the assets being acquired. The revenue requirement calculation is set forth in Application Exhibit 5. The Company projects that Terra Grande customers will generate average residential revenue for United Water, or approximately \$327/year. Until Terra Grande customers are metered, United Water proposes that they be served under the Company's flat rate tariff, Schedule No. 1E (bi-monthly \$54.29). Terra Grande customers are presently served under a two-season flat rate. The summer rate for four months is \$26 and the non-summer rate for eight months is \$14, producing total annual per customer revenue of \$216.

As reflected in the Application, Barbara V. Child desires to convey the Terra Grande domestic water system to United Water because she wishes to retire from the water business and is unwilling to undertake the perceived risks of continued operation arising from increasingly stringent water quality regulations, and increasingly complex operation and technical requirements. Because of its small size Ms. Child states that Terra Grande has experienced, and in the absence of the sale, would continue to experience, difficulties in maintaining its system and obtaining adequate financing for operations, maintenance, and expansion.

United Water contends that it possesses the technical, managerial and financial abilities to provide reliable and adequate service and accordingly it represents that the proposed transfer is in the public interest.

YOU ARE FURTHER NOTIFIED that a **public workshop** for Terra Grande customers has been scheduled for **THURSDAY, MARCH 18, 2004 AT 7:00 P.M. AT THE BOISE SCHOOL DISTRICT SERVICES CENTER, 8169 WEST VICTORY ROAD, BOISE, IDAHO.** (The School District Administration Building is on the south side of Victory Road between Cole and Maple Grove.) At this meeting customers will have an opportunity to hear from United Water Idaho about the proposed transition and about the proposed changes and

improvements the Company intends to make to the system. Also present will be representatives from the Commission Staff. Customers will have an opportunity to ask questions of both United Water and Commission Staff.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. UWI-W-04-2. The Commission has preliminarily found that the public interest in this matter may not require a formal hearing to consider the issues presented, and that the issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the joint Application and the use of Modified Procedure in Case No. UWI-W-04-2 is **Friday, April 2, 2004**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. UWI-W-04-2 should be mailed to the Commission, United Water and Barbara V. Child at the addresses reflected below.

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Gregory P. Wyatt
United Water Idaho Inc.
PO Box 190420
Boise, ID 83719-0420
E-mail: greg.wyatt@unitedwater.com

Dean J. Miller
McDevitt & Miller LLP
420 W. Bannock Street
PO Box 2564 – 83701
Boise, ID 83702
E-mail: joe@mcdevitt-miller.com

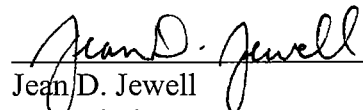
Terra Grande Water
Barbara V. Child
10012 Eshelman
Boise, ID 83704

All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to United Water at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission may consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application in Case No. UWI-W-04-2 may be reviewed at www.puc.state.id.us under the "File Room" icon and "Water Cases" or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the general business office of United Water Idaho Inc., 8248 W. Victory Road, Boise, Idaho (telephone 362-1704).

DATED at Boise, Idaho this 9th day of March 2004.



Jean D. Jewell
Commission Secretary

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